



# Spotlight

PROFESSIONAL AEROSPACE UNION



IFPTE SPEEA-Area vice presidents, SPEEA delegates and SPEEA staff are shown here on a break during the IFPTE 61<sup>st</sup> Triennial Convention. More than 100 delegates from IFPTE Locals throughout the U.S. and Canada met at the first in-person convention since 2018. The delegates debated and voted on resolutions to set the budget and policy for IFPTE. They also elected officers and vice presidents to new three-year terms.

## IFTPE 61<sup>st</sup> triennial convention

# Strengthening the labor movement through solidarity

By Karen McLean  
SPEEA Communications Director

NEW ORLEANS – From across the United States and Canada, 115 IFPTE delegates came together in solidarity for the 61<sup>st</sup> triennial IFPTE Convention. In addition to professional aerospace workers, delegates represented various professional occupations ranging from nuclear power engineers, scientists, judges, lawyers, researchers and technicians. Delegates voted on resolutions, conducted business, including electing officers and vice presidents, and heard from guest speakers bringing news and support from the AFL-CIO and the Canadian Labour Council along with other labor and legislative leaders. “It’s been inspiring to be at the IFPTE convention

– thinking about all of us together,” said **Aaron Kruspe**, IFPTE delegate and Boeing Frederickson, Washington, Area Rep. “Fair wages that keep pace with inflation and a secure retirement are not luxuries, but fundamental rights for all workers.” During the plenary session, the delegates elected officer nominees. All the nominees ran unopposed. IFPTE President **Matt Biggs** and Secretary-Treasurer **Gay Henson** were re-elected. SPEEA-Area Vice Presidents **John Dimas** (SPEEA president), **R Matthew Joyce** (SPEEA Council chair) and **Ryan Rule** (SPEEA secretary) were also re-elected to serve new three-year terms. **We’re all IFPTE!** Former IFPTE President **Paul Shearon** addressed the convention delegates – reminding them of the importance of their work and the importance of

solidarity. “We’re all IFPTE!” Shearon was recognized for his decades of union activism, dating back to his time as a SPEEA activist while working at Boeing before he went to work at SPEEA as organizing director. He served several years in IFPTE leadership roles before retiring in 2021. Shearon rallied the crowd with his message to recharge, stand up and fight back for workers. “Only through solidarity and the collective actions of working people can we truly secure better pay, benefits, and protections,” he said. “Our unity is our greatest asset; it’s what gives us leverage at the bargaining table, and it’s what ensures our voices are heard loud and clear.” The delegates also voted on resolutions to approve

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# Strengthening the labor movement through solidarity

Continued from page 1

the budget and to set policy for IFPTE, including legislative priorities related to Science, Technology, Engineering and Math (STEM), fighting job reductions at Bell MTS in Manitoba, Canada, and other workforce priorities.

Portland Area Rep **Andy Bracken**, SPEEA delegate, appreciated having a seat at the table. "I enjoyed seeing and affecting democracy in action. The range of issues addressed by the international union was enlightening."

## AFL-CIO support for SPEEA

Throughout the convention, labor and elected leaders spoke to the group, including AFL-CIO President **Liz Shuler** who sent a video message recorded specifically for the IFPTE convention. Shuler called out SPEEA in negotiations with Boeing for contracts expiring in 2026. "We'll be there for you when you're at the bargaining table," she said.

**Danny Bauder**, president of the Philadelphia Council AFL-CIO, was among many of the guest speakers who applauded IFPTE leaders. Bauder called out the work of IFPTE Pres. Biggs who went door knocking across Philadelphia to advocate for their issues with tremendous success. Bauder added, "when we work together as a labor movement, we can move mountains. Get involved in your local!"

**Randy Erwin**, president of the National Federation of Federal Employees (NFFE), noted how IFPTE significantly helped when federal employees' pen-

sions and raises were under attack. "Our collective efforts saved members a lot of trouble because of your (IFPTE) strong leadership. There is no other union I'd be happier to run to help," Erwin said, adding: "Democracy is strong in our country but do not take it for granted."

Washington State Labor Council (WSLC), AFL-CIO President **April Sims** and WSLC Secretary-Treasurer **Cherika Carter** led a workshop on "Race Relations." In the workshop, Sims noted "the power of the labor movement is not limited to the rights on the job. At our best, it's about fighting for our rights for our job and our community."

On a personal note, Sims shared how her union helped her grow. "I'm only here because my shop steward invited me to a meeting. I'm here because my union believed in me, trained me and created a space for my leadership."

This is the first in-person convention since 2018. The delegates made the most of the in-person time during breaks and multiple networking events after the convention business concluded each day.

At the end of the five-day convention, Auburn Council Rep and delegate **Emily Brent Fulps** noted: "It was a really good convention with the other unions to see what they are doing in the workplace to help workers."

# SPEEA statement on Boeing purchase of Spirit

SPEEA released the following statement July 1 in response to the announced purchase of Spirit AeroSystems by Boeing:

The announced sale of Spirit AeroSystems to Boeing brings some certainty to the nearly 3,000 engineers, technical and professional workers at Spirit that SPEEA represents.

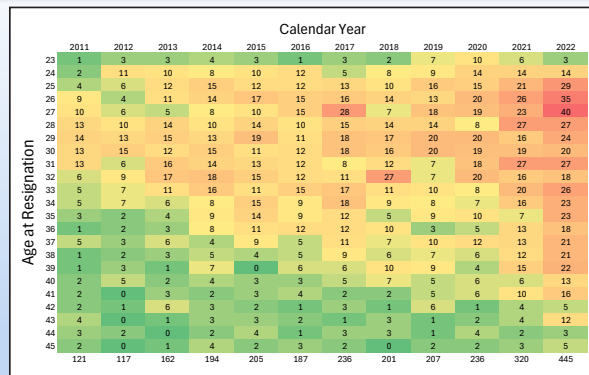
"Barring any regulatory concerns, we now know that the re-acquisition of Spirit is happening. That frees up company officials to talk substantively

about how this will impact employees," said **Ray Goforth**, SPEEA's executive director. "SPEEA will work with representatives from both companies and will provide answers to our members as information becomes available."

SPEEA represents more than 19,000 engineers, scientists, pilots and technical workers at Boeing and Spirit, working in Washington, Oregon, Kansas, California and Utah.

# Correction

In the July SPEEA Spotlight, the article: "Boeing's market-based decisions lead to loss of tribal knowledge," the chart showing the number of resignations from 2011 to 2022 was missing the column of data for 2022. The chart has been updated in the online July Spotlight to include the additional column. To see it in full, go to [www.speea.org](http://www.speea.org) (dropdown menu: Communications/SPEEA Spotlight/July).



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INTERNATIONAL FEDERATION  
OF PROFESSIONAL AND  
TECHNICAL ENGINEERS

# SPEEA's budget process a year-round effort

By Dan Nowlin  
SPEEA Treasurer

Every year, SPEEA prints an independent auditor's report with a detailed look at our union's costs, expenses, income and assets. See pages 4-10 for this year's report.

What many may not realize is how much work goes into the budget process throughout the year to ensure we focus on prudently allocating your membership dues.

As SPEEA treasurer, I work with SPEEA comptroller **Pauline Tamblyn** to ensure every budget item has a specific union purpose related to SPEEA's vision, mission and goals. We provide regular reports to the Executive Board and Council.

## About the process

To establish the fiscal year budget, regional and SPEEA Council officers start working in the fall with Council committee officers to submit estimates for the activities and training they would like to plan.

The goal is to have a regional Council budget ready for their region's Council Reps to vote in December, followed by the SPEEA Council budget in January.

The final overall budget must be approved by the Councils and Executive Board by March 31, the end of the fiscal year.

Then, SPEEA staff start to wrap up the accounting and reporting which goes to the U.S. Department of Labor (a federal requirement for labor unions) and leads to the independent auditor's report.

## About the auditor's report

As comptroller, Tamblyn pulls together the accounting records for the independent auditor. I work with Tamblyn and the SPEEA Tellers to discuss and review the report which gets published each year in the Spotlight.

This multi-person, multi-step process is driven by the SPEEA Constitution, which calls for the audit and publication of the subsequent report sent to all members. In the Tellers section of the Constitution, look at Article 9.2.5.3.

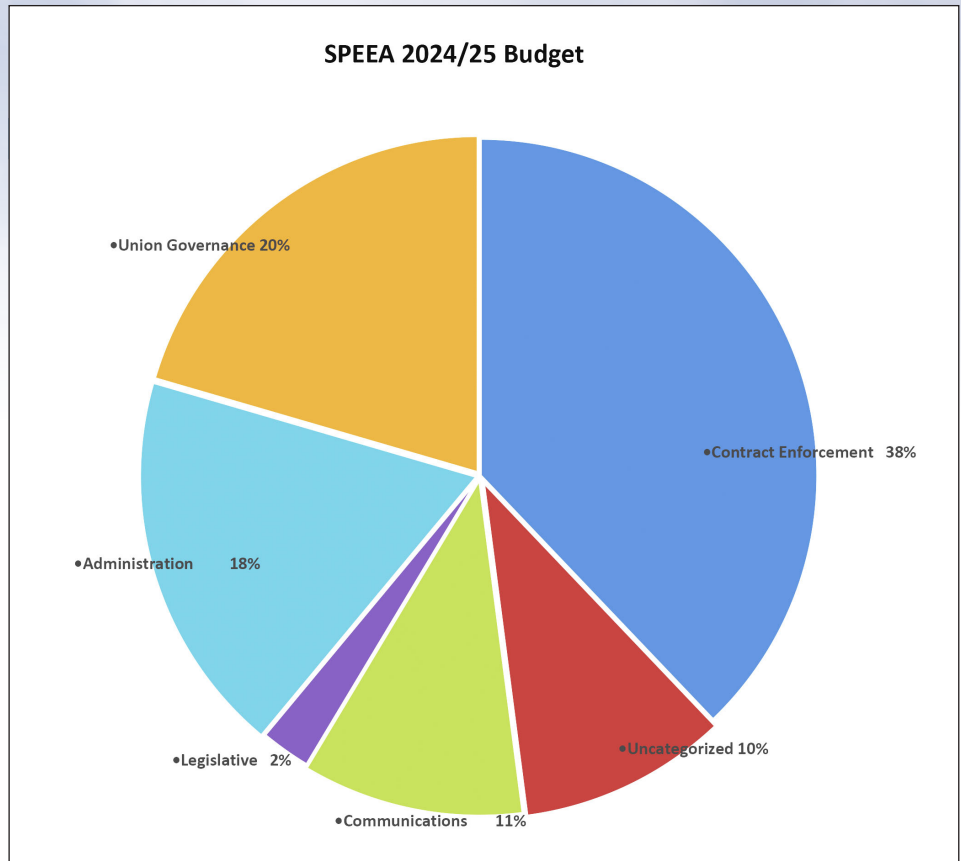
We publish the report to give our members and the public a general idea of our financial health and our priorities regarding spending.

## About our SPEEA budget

- The majority of our budget is spent directly on serving our members through contract enforcement and union governance.
- Transparency is important to us to show we are careful stewards of your dues.

## Pie chart categories

**Contract enforcement** – includes contract monitoring, meetings with members, lunchtime



informational meetings, legal fees, arbitration expenses, negotiations and visibility items.

**Administration** – includes accounting/finance, Information Technology and computers.

**Union governance** – includes expenses supporting the Councils, Council officers, Executive Board, Tellers, Judicial Review Committee (JRC), most Council committees and also membership dues for state and county labor federations.

**Communications/website** – includes printing and postage costs, website, NewsClips and visibility items along with other related services.

**Uncategorized** – includes membership activities, training not covered in other ways, conventions and activities not related to legislative and labor support.

**Legislative** – includes expenses related to working with federal, state and/or local governments regarding SPEEA priorities. No dues are donated to political candidates or parties.

## About ACE

In the auditor's report, you will also see SPEEA Aerospace Career Enhancement (ACE). ACE is funded through a Washington state grant to grow the pipeline of future aerospace professionals. The grant pays for SPEEA staff to coordinate scholarships for students pursuing relevant careers, child-care assistance for students as

needed, a mentoring program and technical and professional classes geared toward all levels of aerospace experience.

## Want to know more?

You can email me at [dan.nowlin.speea@gmail.com](mailto:dan.nowlin.speea@gmail.com) or talk to your Council Rep.

Better yet, get more involved in SPEEA. Start by introducing yourself to your SPEEA Council Rep. Not sure who this is? Go to [www.speea.org](http://www.speea.org) (drop-down menu: Member Tools/Find your Council Rep). They are your workplace union liaison for getting help with questions, contract or workplace issues.

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# Independent Auditors' Report and Financial Statements

## Prepared by:

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## INDEPENDENT AUDITORS' REPORT

To the Tellers Committee and Members of  
 Society of Professional Engineering Employees in Aerospace  
 Seattle, Washington

## Report on the Audit of the Combined Financial Statements

### Opinion

We have audited the combined financial statements of the Society of Professional Engineering Employees in Aerospace [a 501(c)(5) organization] and Affiliates, which comprise the combined statement of financial position as of March 31, 2024, and the related combined statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Society of Professional Engineering Employees in Aerospace and Affiliates as of March 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society of Professional Engineering Employees in Aerospace and Affiliates, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation

Continued on page 5

## Combined Statements of Financial Position March 31, 2024 (with combined information as of March 31, 2023)

	Board Designated Funds									All Funds Combined	
	General Fund	Holiday Outreach Fund	Negotiation Fund	Building Fund	Organizing Fund	SPEEA Properties	KSSPINC, LLC	SPEEA ACE	Eliminations (Note 1e)	2024	2023
<b>ASSETS</b>											
<b>CURRENT ASSETS:</b>											
Cash and cash equivalents (Note 1f)	\$3,160,390	\$28,487	\$1,819,531	\$55,579	\$1,476,107	\$105,810	\$149,169	\$2,926,650	\$-	\$9,721,723	\$10,652,184
Accounts receivable (Notes 1h, 6)	131,245	-	-	-	-	-	-	47,296	-	178,541	114,952
Amounts due from/(to)	(54,054)	-	-	-	-	(9,146)	-	63,200	-	-	-
Prepaid and other current assets (Note 1i)	111,850	-	-	-	-	-	-	-	-	111,850	72,161
Total current assets	3,349,431	28,487	1,819,531	55,579	1,476,107	96,664	149,169	3,037,146	-	10,012,114	10,839,297
<b>LAND, BUILDINGS, VEHICLES, EQUIPMENT, AND FURNITURE:</b>											
Land	-	-	-	-	-	456,655	144,560	-	-	601,215	601,215
Buildings	-	-	-	-	-	2,444,290	431,992	-	-	2,876,282	2,876,282
Vehicles	12,309	-	-	-	-	-	-	-	-	12,309	12,309
Equipment and furniture	1,237,271	-	-	-	-	1,758	18,852	155,312	-	1,413,193	1,385,799
	1,249,580	-	-	-	-	2,902,703	595,404	155,312	-	4,902,999	4,875,605
Less: accumulated depreciation	(1,111,762)	-	-	-	-	(1,587,192)	(91,077)	(27,122)	-	(2,817,153)	(2,703,334)
Net land, buildings, vehicles, equipment, and furniture (Note 1j)	137,818	-	-	-	-	1,315,511	504,327	128,190	-	2,085,846	2,172,271
<b>OTHER ASSETS:</b>											
Marketable securities (Notes 1g, 3)	6,982,516	-	-	6,995,362	-	-	-	-	-	13,977,878	12,180,214
Investment in affiliates (Note 1e)	2,326,954	-	-	250,000	-	-	-	-	(2,576,954)	-	-
Total other assets	9,309,470	-	-	7,245,362	-	-	-	-	(2,576,954)	13,977,878	12,180,214
Total Assets	\$12,796,719	\$28,487	\$1,819,531	\$7,300,941	\$1,476,107	\$1,412,175	\$653,496	\$3,165,336	\$(2,576,954)	\$26,075,838	\$25,191,782
<b>LIABILITIES AND NET ASSETS</b>											
<b>CURRENT LIABILITIES:</b>											
Accounts payable (Note 1i)	\$26,896	\$-	\$-	\$-	\$-	\$4,521	\$-	\$-	\$-	\$31,417	\$64,760
Provision for severance pay and compensatory time off (Notes 1m, 9)	1,498,305	-	-	-	-	-	-	-	-	1,498,305	1,436,436
Total current liabilities	1,525,201	-	-	-	-	4,521	-	-	-	1,529,722	1,501,196
<b>OTHER LIABILITIES:</b>											
Grant advance (Note 10)	-	-	-	-	-	-	-	2,857,508	-	2,857,508	3,440,186
Total liabilities	1,525,201	-	-	-	-	4,521	-	2,857,508	-	4,387,230	4,941,382
<b>NET ASSETS</b>	11,271,518	28,487	1,819,531	7,300,941	1,476,107	1,407,654	653,496	307,828	(2,576,954)	21,688,608	20,250,400
Total Liabilities and Net Assets	\$12,796,719	\$28,487	\$1,819,531	\$7,300,941	\$1,476,107	\$1,412,175	\$653,496	\$3,165,336	\$(2,576,954)	\$26,075,838	\$25,191,782

## Combined Statements of Activities and Changes in Net Assets Year Ended March 31, 2024 (with combined information for the year ended March 31, 2023)

	Board Designated Funds									All Funds Combined	
	General Fund	Holiday Outreach Fund	Negotiation Fund	Building Fund	Organizing Fund	SPEEA Properties	KSSPINC, LLC	SPEEA ACE	Eliminations (Note 1e)	2024	2023
Dues income, net of refunds of \$7,835 and \$11,838 (Note 1n)	\$10,203,748	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$10,203,748	\$9,592,396
<b>Operating costs (see supplementary info.):</b>											
Payroll costs (Notes 1m, 4, 6, 8, 9)	7,258,033	-	-	-	-	-	-	-	-	7,258,033	6,351,368
Occupancy (Notes 1e, 1j)	312,545	-	-	-	-	59,055	9,158	-	-	380,758	385,010
Supplies and office	320,168	-	-	-	-	-	-	-	-	320,168	331,629
Professional services	307,345	-	-	-	-	-	-	-	-	307,345	569,122
Negotiations (Note 5)	634	-	-	-	-	-	-	-	-	634	3,706
Operations	2,030,535	-	-	-	-	-	-	-	-	2,030,535	1,785,833
Membership services	362,037	-	-	-	-	-	-	-	-	362,037	225,699
Total operating costs	10,591,297	-	-	-	-	59,055	9,158	-	-	10,659,510	9,652,367
Increase (decrease) in net assets from operations	(387,549)	-	-	-	-	(59,055)	(9,158)	-	-	(455,762)	(59,971)
<b>Other income (expenses):</b>											
Interest and dividends	301,739	12	44,656	257,146	47,475	-	-	-	-	651,028	483,663
Reimbursements from vendors, members, and other organizations	2,805	-	-	-	-	-	-	-	-	2,805	30,877
Holiday outreach	-	-	-	-	-	-	-	-	-	-	(225)
Disbursements on behalf of members	(929)	-	-	-	-	-	-	-	-	(929)	(2,218)
Grant income (Note 10)	-	-	-	-	-	-	-	882,903	-	882,903	1,147,927
Grant funds expense (Note 10)	-	-	-	-	-	-	-	(856,954)	-	(856,954)	(866,048)
Realized gains (losses) on sale of investments	(969)	-	-	658	-	-	-	-	-	(311)	(254,795)
Net change in unrealized gains (losses) on investments (Note 3)	651,523	-	-	664,186	-	-	-	-	-	1,315,709	(691,014)
Investment advisor fees and service charges	(52,316)	-	-	(47,965)	-	-	-	-	-	(100,281)	(66,248)
Net other income (expenses)	901,853	12	44,656	874,025	47,475	-	-	25,949	-	1,893,970	(218,081)
Increase (decrease) in net assets	514,304	12	44,656	874,025	47,475	(59,055)	(9,158)	25,949	-	1,438,208	(278,052)
Net assets at beginning of year	10,757,214	28,475	1,774,875	6,426,916	1,428,632	1,466,709	662,654	281,879	(2,576,954)	20,250,400	20,528,452
Net assets at end of year	\$11,271,518	\$28,487	\$1,819,531	\$7,300,941	\$1,476,107	\$1,407,654	\$653,496	\$307,828	\$(2,576,954)	\$21,688,608	\$20,250,400

# Independent Auditors' Report and Financial Statements

Continued from page 4

and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society of Professional Engineering Employees in Aerospace and Affiliates' ability to continue as a going concern for one year after the date that the combined financial statements are issued or when applicable, one year after the date that the combined financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not

absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the

amounts and disclosures in the combined financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society of Professional Engineering Employees in Aerospace and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society of Professional Engineering Employees in Aerospace and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

## Report on Summarized Comparative Information

We have previously audited the Society of Professional Engineering Employees in Aerospace and Affiliates' March 31, 2023 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated July 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

**HUEBNER, DOOLEY & MCGINNESS, P.S.**

Shoreline, Washington

July 17, 2024

Continued on page 6

## Combined Statements of Cash Flows

Year Ended March 31, 2024 (with combined information for the year ended March 31, 2023)

	Board Designated Funds									All Funds Combined	
	General Fund	Holiday Outreach Fund	Negotiation Fund	Building Fund	Organizing Fund	SPEEA Properties	KSSPINC, LLC	SPEEA ACE	Eliminations (Note 1e)	2024	2023
Cash flows from operating activities:											
Dues income	\$10,187,455	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$10,187,455	\$9,522,165
Interest and dividend income	301,739	12	44,656	257,146	47,475					651,028	483,663
Reimbursements from Ed Wells/SPEEA-Boeing Partnership (Note 6)	522,674									522,674	439,230
Reimbursements from vendors, members, and other organizations	2,805									2,805	30,877
Miscellaneous cash receipts (payments)	(929)					150,008	28,679	300,225	(178,679)	299,304	418,359
Cash paid to suppliers and employees	(10,652,185)			(47,965)		(156,807)	(25,600)	(1,380,189)	178,679	(12,084,067)	(10,662,789)
Net cash provided by (used in) operating activities	361,559	12	44,656	209,181	47,475	(6,799)	3,079	(1,079,964)	-	(420,801)	231,505
Cash flows from investing activities:											
Equipment and improvements purchased	(17,855)					(1,758)	(799)	(6,982)		(27,394)	(172,616)
Investments purchased	(1,310,897)			(1,322,634)						(2,633,531)	(5,509,630)
Investments sold	1,092,369			1,058,896						2,151,265	4,722,873
Net cash used in investing activities	(236,383)	-	-	(263,738)	-	(1,758)	(799)	(6,982)	-	(509,660)	(959,373)
Increase (decrease) in cash and cash equivalents	125,176	12	44,656	(54,557)	47,475	(8,557)	2,280	(1,086,946)	-	(930,461)	(727,868)
Cash and cash equivalents at beginning of year	3,035,214	28,475	1,774,875	110,136	1,428,632	114,367	146,889	4,013,596	-	10,652,184	11,380,052
Cash and cash equivalents at end of year	\$3,160,390	\$28,487	\$1,819,531	\$55,579	\$1,476,107	\$105,810	\$149,169	\$2,926,650	\$-	\$9,721,723	\$10,652,184
Reconciliation of increase (decrease) in net assets to net cash provided by (used in) operating activities:											
Increase (decrease) in net assets	\$514,304	\$12	\$44,656	\$874,025	\$47,475	\$(59,055)	\$(9,158)	\$25,949	\$-	\$1,438,208	\$(278,052)
Adjustment for non-cash (revenue) and expense items:											
Depreciation (Note 1j)	34,331					52,768	12,461	14,259		113,819	110,602
Realized (gains) losses on sale of investments	969			(658)						311	254,795
Net change in unrealized (gains) losses on investments (Note 3)	(651,523)			(664,186)						(1,315,709)	691,014
Change in assets and liabilities providing (using) cash:											
Accounts receivable	(16,293)							(47,296)		(63,589)	(70,231)
Amounts due (from)/to	481,220					(3,242)		(477,978)		-	-
Prepaid and other current assets	(39,689)									(39,689)	49,364
Accounts payable	(23,629)					2,730	(224)	(12,220)		(33,343)	10,250
Provision for severance pay and compensatory time off	61,869									61,869	190,888
Grant advance proceeds (spent)								(582,678)		(582,678)	(727,125)
Total adjustments	(152,745)	-	-	(664,844)	-	52,256	12,237	(1,105,913)	-	(1,859,009)	509,557
Net cash provided by (used in) operating activities	\$361,559	\$12	\$44,656	\$209,181	\$47,475	\$(6,799)	\$3,079	\$(1,079,964)	\$-	\$(420,801)	\$231,505

# Independent Auditors' Report and Financial Statements

Years Ended March 31, 2024 and 2023

## Notes to Combined Financial Statements

### Note 1 - Summary of Significant Accounting Policies

#### Supplementary Information - Combined Statements of Operating Costs Years Ended March 31, 2024 and 2023

	2024	2023
<b>Payroll costs (Note 8):</b>		
Salaries	\$5,203,293	\$4,398,796
Change in provision for severance pay and compensatory time off (Notes 1m, 9)	61,869	190,888
Payroll taxes	436,948	361,605
Medical benefits	833,182	754,862
Retirement and life insurance benefits (Note 4)	1,085,282	961,927
Mileage and phone allowances	134,376	111,773
Ed Wells expenses	15,108	2,793
Payroll processing costs	10,649	7,954
Gross payroll costs	7,780,707	6,790,598
Reimbursements from Ed Wells/SPEEA-Boeing Partnership (Note 6)	(522,674)	(439,230)
	<u>\$7,258,033</u>	<u>\$6,351,368</u>
<b>Occupancy - the Society:</b>		
Rent Seattle office (Note 1e)	\$98,700	\$106,500
Rent Everett office (Note 1e)	51,300	55,500
Rent Wichita office (Note 1e)	28,679	42,167
Insurance	59,165	57,950
Property taxes	1,298	1,826
Repairs and maintenance	235	2,222
Telephone and internet	38,837	46,582
Equipment depreciation (Note 1j)	34,331	32,626
	<u>\$312,545</u>	<u>\$347,373</u>
<b>Occupancy - SPInc.:</b>		
(Income) expenses:		
Rent income from SPEEA (Note 1e)	\$(150,008)	\$(162,000)
Buildings depreciation (Note 1j)	52,768	53,000
Property taxes	34,790	38,134
Facilities	42,186	36,889
Insurance	8,612	6,938
Janitorial	16,139	13,868
Maintenance	14,428	20,585
Auditor and accounting fees	3,560	5,720
Utilities	36,580	31,287
	<u>\$59,055</u>	<u>\$44,521</u>
<b>Occupancy - KSSPINC, LLC:</b>		
(Income) expenses:		
Rent income from SPEEA (Note 1e)	\$(28,679)	\$(42,167)
Insurance	350	350
Property taxes	12,869	12,450
Repairs and maintenance	8,574	7,062
Utilities	3,583	3,408
Depreciation (Note 1j)	12,461	12,013
	<u>\$9,158</u>	<u>\$(6,884)</u>
<b>Supplies and office:</b>		
Office supplies	\$50,007	\$33,961
Software licenses and other subscriptions	162,913	155,837
Postage and delivery	45,812	56,899
Reproduction costs	20,554	24,376
Stationery and envelopes	40,882	60,556
	<u>\$320,168</u>	<u>\$331,629</u>
<b>Professional services:</b>		
Legal and arbitration	\$267,430	\$534,974
Auditor and accounting fees	39,915	34,148
	<u>\$307,345</u>	<u>\$569,122</u>
<b>Negotiations (Note 5):</b>		
Meetings and events	\$634	\$3,706
	<u>\$634</u>	<u>\$3,706</u>
<b>Operations - the Society:</b>		
Affiliation fees	\$282,617	\$253,246
Representative training	115,230	35,459
Auto maintenance costs	168	395
Conferences	36,236	72,426
Conventions - related organizations	15,035	9,509
Food	4,423	256
Leave with pay	119,883	83,878
Mileage	2,061	2,323
Organizing	35,424	19,769
Community grants and contributions	62,281	64,200
Per capita dues - IFPTE	1,341,757	1,209,547
Staff administration costs	6,627	25,200
Staff training	8,793	9,625
	<u>\$2,030,535</u>	<u>\$1,785,833</u>
<b>Operations - SPEEA ACE (Note 10)</b>		
Salaries and benefits	\$296,437	\$347,280
Supplies and equipment	8,481	37,636
Marketing and outreach	75,837	56,257
Tuition and assistance	320,528	201,500
Curriculum	134,891	143,216
Other indirect costs	6,521	67,296
Equipment depreciation (Note 1j)	4,259	12,863
	<u>\$856,954</u>	<u>\$866,048</u>
<b>Membership services (Note 10):</b>		
Spotlite - printing and postage costs	\$160,180	\$152,405
Executive board and council chairs honorarium	5,000	5,000
Staff travel and regional support	30,584	12,500
Labor support contributions	4,800	8,562
Membership meetings	34,393	11,664
Membership supplies	21,495	12,519
Visibility items	105,585	23,049
	<u>\$362,037</u>	<u>\$225,692</u>

#### a. General:

The Society of Professional Engineering Employees in Aerospace, IFPTE Local 2001 (the Society or SPEEA), is a labor union and a 501(c)(5) organization (a tax-exempt entity) representing employees of The Boeing Company in Washington, Oregon, California, and Utah, and Spirit AeroSystems in Wichita, Kansas.

SPEEA Properties (or SPInc.), an affiliate of the Society, is a 501(c)(2) organization (a tax-exempt entity) formed in 1978 to own and operate the Society's headquarters in Seattle, Washington. The Society initially invested \$140,000 to purchase property on which the building was constructed. A further surcharge to SPEEA members and a sale of a portion of the property financed the construction of the building. During the year ended March 31, 2008, SPEEA's Everett office was transferred to SPEEA Properties at a net book value of \$1,352,804.

During the year ended March 31, 2016, SPEEA formed KSSPINC, LLC, (a limited liability company) in which SPEEA is the sole member. KSSPINC, LLC was formed to purchase, own, and operate property in Kansas for SPEEA's Midwest office. KSSPINC, LLC purchased property in Wichita, Kansas for \$275,000 on June 15, 2016 and was remodeled to accommodate SPEEA use.

During the year ended March 31, 2022, SPEEA's Aerospace Career Enhancement (ACE) program was created by, and is operated through, a grant received from the State of Washington to promote, expand, and enhance the workforce training and education in support of the aerospace industry and its supply chain in the State of Washington.

#### b. Basis of Accounting:

The combined financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### c. Basis of Presentation:

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. This ASU establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into net asset classes according to donor-imposed restrictions. Accordingly, the net assets of the Society have been reported as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Society's management and the governing board.
- *Net assets with donor restrictions* are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or

by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions. All other net assets, including board-designated or appropriated amounts, are reported as part of net assets without donor restriction. The Society had no net assets with donor restrictions on March 31, 2024 and 2023.

#### d. Fund Accounting:

To ensure observance of limitations and restrictions placed on the use of resources available to the Society, the accounts of the Society are maintained in accordance with the principles of fund accounting. This is the method by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund and, accordingly, all financial transactions have been recorded and reported by fund.

The assets, liabilities, and net asset balances of the Society are reported in two fund groups as follows:

1. The General Fund, which includes undesignated resources that represent the portion of funds that are available for support of operations.
2. Board designated funds represent funds designated by the Executive Board for the Holiday Outreach Fund, the Negotiation Fund to be used to fund negotiations of contracts for the Society's members, the Building Fund for replacement of the Society's building and equipment, and the Organizing Fund to be used for organizing new members into the Society. Funds can be moved from these accounts only by board actions. Contributions to the Holiday Outreach Fund come from various sources other than dues income.

#### e. Principles of Combination:

The assets, liabilities, and net asset balances of SPEEA Properties and KSSPINC, LLC are owned by the Society as separate entities. SPEEA Properties and KSSPINC, LLC have not issued capital stock and are owned by the members in good standing of the Society. All transactions between the Society, SPEEA Properties, and KSSPINC, LLC are eliminated upon combination. When combining the financial information of the Society and these related entities, there are certain items which appear in two entities; in these cases entries were made to eliminate the amounts. The Society's investment in SPEEA Properties includes: the \$140,000 initial investment made and the additional investment of \$1,352,804 as a result of the transfer of the building in Everett, and during the years ended March 31, 2011 and 2010, an additional \$30,000 and \$470,000, respectively. Rent of \$150,008 and \$162,000 for the years ended March 31, 2024 and 2023, respectively, was paid by the Society to SPEEA Properties and eliminated within occupancy expenses. The Society's investment in KSSPINC,

Continued on page 7

# Independent Auditors' Report and Financial Statements

Years Ended March 31, 2024 and 2023

## Notes to Combined Financial Statements

### Note 1 - Summary of Significant Accounting Policies - Continued from page 6

LLC includes: a net investment of \$534,150 as a result of the transfer of the building in Wichita and \$50,000 for the funding of costs incurred during the year ended March 31, 2018. Normal operations of KSSPINC, LLC began April 1, 2017. Rent of \$28,679 and \$42,167 for the years ended March 31, 2024 and 2023, respectively, was paid by the Society to KSSPINC, LLC and eliminated within occupancy expenses.

#### f. Cash and Cash Equivalents:

For purposes of the financial statements, cash equivalents include time deposits, certificates of deposit, and all highly liquid instruments with original maturities of three months or less.

#### g. Investments:

Investments in equity and debt securities are reported at fair value. Realized gains and losses, unrealized gains and losses, and investment returns are recognized in the combined statement of activities and changes in net assets.

#### h. Accounts Receivable and Allowance for Doubtful Accounts:

Accounts receivable represent Ed Wells expense reimbursements which were due to the Society and collected after the close of the fiscal year. All balances due were less than 90 days past due as of March 31, 2024 and 2023.

The Society uses the direct write-off method to account for bad debts. No allowance for doubtful accounts has been included as of March 31, 2024 and 2023 because management considers all recorded receivables to be fully collectible.

#### i. Prepaid Expenses:

Prepaid expenses represent advance payments for products and services and consist primarily of postage, prepaid payroll taxes, and insurance, which will be used in operations during the next 12 months.

#### j. Land, Buildings, Vehicles, Equipment, and Furniture:

Land, buildings, vehicles, equipment, and furniture are stated at cost less accumulated depreciation. The Society and SPEEA Properties generally follow the practice of capitalizing all expenditures for property and equipment in excess of \$500 and a useful life greater than one year. Routine repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method of depreciation using the following estimated useful lives:

	Lives in Years
Buildings and building improvements	15 - 40
Furniture, vehicles, and office equipment	3 - 10

Depreciation expense on the Seattle and Everett buildings owned by SPEEA Properties was \$52,768 and \$53,100 for the years ended March 31, 2024 and 2023, respectively. Depreciation expense on the Wichita, Kansas building and equipment owned by KSSPINC, LLC was \$12,461 and \$12,013 for the years ended March 31, 2024 and 2023, respectively. Depreciation expense on vehicles, furniture, and equipment

was \$34,331 and \$32,626 for the years ended March 31, 2024 and 2023, respectively.

As of March 31, 2024 and 2023, the land and buildings held by KSSPINC, LLC and SPEEA Properties had an assessed market value of \$3,895,500 and \$3,809,500, respectively, based on property tax assessments.

#### k. Impairment of Long-Lived Assets:

At each reporting date, long-lived assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately.

#### l. Accounts Payable:

Accounts payable represent costs and expenses that are obligations of the Society at the fiscal year-end, which are billed by the vendor after the close of the fiscal year. In the normal course of operations, the Society receives, approves, and pays these obligations after the close of the fiscal year. The balances consisted primarily of billings for payroll taxes, utilities, leave with pay, and other operating expenses of the Society.

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### Functional Allocation of Expenses 2024

A summary of total disbursements and a reconciliation of total expenses to total disbursements is presented below for the year ended March 31, 2024:

	Program Services	Supporting Services	Total
Representational activities	\$5,107,564	\$-	\$5,107,564
Political activities and lobbying	-	215,352	215,352
Contributions, gifts, and grants	-	615,404	615,404
General overhead	-	1,441,189	1,441,189
Union administration	645,910	-	645,910
	5,753,474	2,271,945	8,025,419
Benefits	1,603,237	307,691	1,910,928
Per capita tax	1,624,374	-	1,624,374
Purchases of investments and fixed assets	-	2,660,925	2,660,925
Direct taxes	406,744	78,062	484,806
Total disbursements	\$9,387,829	\$5,318,623	\$14,706,452
Total expenses, per financial statements			\$12,140,348
Add -			
Purchases of investments and fixed assets			2,660,925
Other changes in assets and liabilities			18,998
Less -			
Depreciation and amortization			(113,819)
Total disbursements			\$14,706,452

### Functional Allocation of Expenses 2023

A summary of total disbursements and a reconciliation of total expenses to total disbursements is presented below for the year ended March 31, 2023:

	Program Services	Supporting Services	Total
Representational activities	\$4,720,257	\$-	\$4,720,257
Political activities and lobbying	-	207,103	207,103
Contributions, gifts, and grants	-	521,501	521,501
General overhead	-	1,170,211	1,170,211
Union administration	447,183	-	447,183
	5,167,440	1,898,815	7,066,255
Benefits	1,453,610	277,295	1,730,905
Per capita tax	1,462,793	-	1,462,793
Purchases of investments and fixed assets	-	5,682,246	5,682,246
Direct taxes	350,105	66,787	416,892
Total disbursements	\$8,433,948	\$7,925,143	\$16,359,091
Total expenses, per financial statements			\$11,026,111
Add -			
Purchases of investments and fixed assets			5,682,246
Less -			
Other changes in assets and liabilities			(238,664)
Depreciation and amortization			(110,602)
Total disbursements			\$16,359,091

# Independent Auditors' Report and Financial Statements

Years Ended March 31, 2024 and 2023

## Notes to Combined Financial Statements

### Note 1 – Summary of Significant Accounting Policies - Continued from page 7

#### m. Provision for Severance Pay and Compensatory Time Off:

The Society accrues its contractual obligation for severance pay, vacation pay, sick leave, and compensatory time off as a liability, and represents the Society's obligation at each employee's current salary level. The actual amounts paid to satisfy this liability will depend upon the employee's salary level at the time of the payment.

#### n. Dues Income:

Dues income represents funds received from members either through a payroll deduction by The Boeing Company and Spirit AeroSystems, or a direct payment by individual members. As part of contract agreements with the Society, companies withhold monthly membership dues from the paychecks of the Society's members. The Society bills all "Beck Objector" dues directly to those employees on a monthly basis. No part of dues income was paid directly to support any political parties or candidates. Dues are refunded as necessary to members who have overpaid.

#### o. Functional Allocation of Expenses:

The Office of Labor-Management Standards (OLMS) enforces certain provisions of the Labor-Management Reporting and Disclosure Act (LMRDA), including reporting and disclosure requirements for labor unions, their officers and employees, employers, labor relation consultants, and surety companies. Salaries, benefits, and related costs are allocated on the basis of time and effort expended in these functional categories. Certain costs of program and supporting services activities have been allocated to five functional disbursement categories.

\* See 2024 and 2023 tables on page 7

#### p. Advertising Costs:

Advertising costs are expensed as incurred.

#### q. Concentrations of Risk:

Financial instruments that potentially subject an entity to a concentration of credit risk consist of cash in bank and brokerage deposit accounts. The Society and SPEEA Properties maintain cash balances at several financial institutions. Depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, are insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount (\$250,000), for each deposit insurance ownership category. As of March 31, 2024 and 2023, the total uninsured cash balance was approximately \$5,594,500 and \$6,518,500, respectively. The Society and SPEEA Properties have not experienced any losses with these accounts during the years ended March 31, 2024 and 2023, and management believes it is not exposed to any significant credit risk on its cash balances.

All of the Society's members are covered by collective bargaining agreements. Since dues and fees revenue from these members represents a significant portion of the Society's gross receipts, it is at least reasonably possible that a strike resulting from expired contracts would disrupt the normal function of the Society.

#### r. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### s. Income Tax Status:

The Society is exempt from federal income taxes under section 501(c)(5) and SPEEA Properties is exempt from federal income taxes under section 501(c)(2) of the Internal Revenue Code and, therefore, have made no provision for federal income taxes in the accompanying combined financial statements. In addition, there was no unrelated business income for the years ended March 31, 2024 and 2023.

The Society accounts for tax positions in accordance with FASB Accounting Standards Codification Topic 740, *Income Taxes*. With few exceptions, the Society is subject to federal and state income tax examinations by tax authorities for the prior three years. Management has reviewed the Society's tax positions and determined there were no uncertain tax positions as of March 31, 2024 and 2023.

#### t. New Accounting Pronouncement:

In February 2016, the Financial Accounting Standards Board (FASB) issued its leasing standard in Accounting Standards Update No. 2016-02, *Leases (Topic 842)* for both lessees and lessors effective for all nonpublic entities for fiscal years beginning after December 15, 2021. Under its core principle, a lessee will recognize right-of-use (ROU) assets and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. The Local Union has assessed the impact of implementing Topic 842 and believes it will not have a material effect on the accompanying financial statements.

#### u. Subsequent Events:

In preparing these combined financial statements, management of the Society has evaluated events and transactions for potential recognition or disclosure through July 17, 2024, the date the financial statements were available to be issued.

### Note 2 – Availability and Liquidity

The Society regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds, and other short-term investments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Society considers all expenditures related to its ongoing activities of furthering and protecting the rights of its members, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The Society's governing board has designated a portion of its unrestricted resources for other purposes. Those amounts are

identified as board designated funds in the accompanying combined statements of financial position. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board for their designated purpose. As of March 31, 2024 and 2023, the following financial assets could readily be made available within one year of the combined statement of financial position date to meet Society expenditures:

Financial assets:	2024	2023
Cash and cash equivalents -		
General fund	\$3,160,390	\$3,035,214
Designated funds	6,561,333	7,616,970
Investments -		
General fund	6,982,516	6,113,434
Designated funds	6,995,362	6,066,780
Total financial assets	\$23,699,601	\$22,832,398

### Note 3 – Investments and Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this Topic are described below:

- 1) Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.
- 2) Level 2: Inputs to the valuation methodology include:
  - a. Quoted prices for similar assets or liabilities in active markets,
  - b. Quoted prices for identical or similar assets or liabilities in inactive markets,
  - c. Inputs other than quoted prices that are observable for the asset or liability,
  - d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- 3) Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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# Independent Auditors' Report and Financial Statements

Years Ended March 31, 2024 and 2023

## Notes to Combined Financial Statements

### Note 3 – Investments and Fair Value Measurements - *Continued from page 8*

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of March 31, 2024:

- Stock funds: Valued at the closing price reported on the active market on which the individual securities are traded.
- Mutual funds: Valued at the net asset value of shares held by the organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value

or reflective of future fair values. Furthermore, while the Society and SPEEA Properties believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All investments are classified under level 1 measurements within the fair value hierarchy.

The investments of the Society and SPEEA Properties consisted of the following as of March 31, 2024 and 2023, with their respective cost and fair values:

### Note 5 – Negotiation Expenses

Included in negotiation expenses are the direct, non-payroll expenditures for providing collective bargaining for the Society's members.

During the year ended March 31, 2024, the Society completed Negotiations with The Boeing Company on behalf of the Pilots/Instructors Unit and formed the negotiation team from the Spirit WEU unit. During the year ended March 31, 2023, the Society paid for printing of the Wichita Technical and Professional Unit contract with Spirit AeroSystems.

### Note 6 – Ed Wells/SPEEA-Boeing Partnership Reimbursements

The Ed Wells/SPEEA-Boeing Partnership (the Institute) is operated as a part of the contract negotiated between the Society and The Boeing Company. The Ed Wells Partnership will seek to develop and implement initiatives approved by the Joint Policy Board to achieve the following goals: effective partnership; a skilled, motivated, productive, and stable workforce; employability; lifelong learning; knowledge retention and sharing; and career development. Members of the Society's staff have been placed in the Institute's office to help further its goals. The Society received reimbursements from the Ed Wells/SPEEA-Boeing Partnership totaling \$522,674 and \$439,230 in the years ended March 31, 2024 and 2023, respectively, for the payroll, pension, employee benefit, and other expenses paid by the Society on the Institute's behalf. Accounts receivable on March 31, 2024 and 2023 includes \$131,245 and \$114,952, respectively, of reimbursements received from the Ed Wells/SPEEA-Boeing Partnership by the Society after the fiscal year-end.

### Note 7 – Chargeable Expenses

The Society is required to make an annual calculation of the chargeable portion of its total expenses (the "Beck Calculation"). Chargeable expenses are those expenses that are considered necessarily and reasonably incurred for the purpose of performing the Society's duty for its represented activities.

### Note 8 – Payroll Costs and Staff Employment Contracts

The Society has entered into two employment contracts with the unions representing its professional and office staff. Both of these contracts grant general and selective pay increases along with lump sum payouts based on the prior year's gross pay.

### Note 9 – Provision for Severance Pay and Compensatory Time Off

Contracts entered into by the Society with their employees provide for payments of compensatory time off for extra hours worked and payments for unused vacation, sick leave, and severance payments. The overall provision at year-end equaled \$61,869 and \$190,888 during the years ended March 31, 2024 and 2023, respectively. These amounts are reflected in current payroll costs as reported in operating expenses.

*Continued on page 10*

	2024			2023		
	Cost	Fair Value	Unrealized Gain (Loss)	Cost	Fair Value	Unrealized Gain (Loss)
Stock funds	\$5,216,531	\$6,583,999	\$1,367,468	\$5,220,828	\$5,650,367	\$429,539
Mutual funds	6,791,046	7,393,879	602,833	6,304,794	6,529,847	225,053
	\$12,007,577	\$13,977,878	\$1,970,301	\$11,525,622	\$12,180,214	\$654,592

### Note 4 – SPEEA Staff Pension Plans

The Society contributes to a money purchase pension plan and a 401(k) plan that provides benefits for substantially all full-time SPEEA staff. Both plans are defined contribution plans so that there are no past service costs, and vested benefits cannot exceed the assets of the plan. The provision for the money purchase pension plan is computed at 7.5% of the employees' eligible compensation. Contributions to the money purchase pension plan for the years ended March 31, 2024 and 2023 were \$440,429 and \$386,689, respectively. The provision for the 401(k) plan is computed by matching a portion of the employees' eligible contributions to the plan. Contributions to the 401(k) plan for the years ended March 31, 2024 and 2023 were \$269,526 and \$238,842, respectively. The liability for future pension costs for both plans is based solely on future compensation of the SPEEA staff.

The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- \* Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- \* If a participating employer stops contributing to the

plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

- \* If the Society chooses to stop participating in some of its multiemployer plans, it may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Society's participation in this plan for the annual periods ended March 31, 2024 and 2023 is outlined in the table below. The "EIN / Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. The most recent Pension Protection Act (PPA) zone status is based on information that the Society received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP / RP Status Pending / Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

The Society's contributions did not exceed 5% of total plan contributions per the plan's most recently available Form 5500 annual report, for the following plan and plan years:

Pension Fund	EIN / Pension Plan Number	Pension Protection Act Zone Status	FIP / RP Status Pending / Implemented	Surcharge Imposed	Society Contributions	
					2024	2023
Western Conference of Teamsters Pension Plan	91-6145047 - 001	Green as of 12/31/23	N/A	N/A	\$258,944	\$221,054

# Independent Auditors' Report and Financial Statements

Years Ended March 31, 2024 and 2023

## Notes to Combined Financial Statements

### Note 10 – Grant Agreements with State of Washington Department of Labor & Industry - Continued from page 9

On December 11, 2020, SPEEA, through its Aerospace Career Enhancement (ACE) program, entered into a grant agreement (Grant #1) with the State of Washington Department of Labor & Industries with a purpose to promote, expand, and enhance workforce training and education, and support in the aerospace, and aerospace supply chain industries in the State of Washington. SPEEA is to furnish the necessary personnel, equipment, material and/or services and otherwise do all things necessary for or incidental to the performance of this work. The approved budget for Grant #1 is up to \$5,000,000 with an approved indirect cost rate of up to 10%. Grant #1 ends on June 30, 2026. SPEEA recorded the initial grant advance of

\$5,000,000 as a liability and recognizes grant income as direct and indirect costs are incurred. Grant income of \$629,260 and \$727,125 was recorded related to Grant #1 during the years ended March 31, 2024 and 2023, respectively. The remaining grant advance liability as of March 31, 2024 and 2023 was \$2,857,508 and \$3,440,186, respectively.

On November 1, 2021, SPEEA, through its Aerospace Career Enhancement (ACE) program, entered into a grant agreement (Grant #2) with the State of Washington Department of Labor & Industries with a purpose to promote, expand, and enhance workforce training and education, and support in the

aerospace, and aerospace supply chain industries in the State of Washington. SPEEA is to furnish the necessary personnel, equipment, material and/or services and otherwise do all things necessary for or incidental to the performance of this work. The approved budget for Grant #2 was up to \$542,000 with an approved indirect cost rate of up to 10%. Grant #2 ended on June 30, 2023 and was extended 2 years to June 30, 2025, with an additional \$271,000 of funding per fiscal year. SPEEA recorded grant income of \$253,643 and \$420,802 related to Grant #2 during the years ended March 31, 2024 and 2023, respectively.

## Everett Council Rep shares 'hidden' benefits that helped him learn to fly

By Karen McLean  
SPEEA Communications Director

**E**VERETT – Everett Council Rep **Nathan Ledbetter** makes a point of helping members at Boeing tap into what he calls “hidden” benefits.

One of those benefits could save an aspiring pilot nearly 70% of the cost of learning to fly through Boeing's Learning Together Program (LTP), which reimburses employees for eligible tuition costs.

When Ledbetter learned to fly, he had only been at Boeing for about a year. When a coworker told him about LTP back then, the program only covered about 10% of the cost. But it was enough.

“It lit the fire,” he said. “I could get ‘free’ money to do what I’ve always wanted to do.”

Although Ledbetter is into flying just for recreation, he dreamed of becoming a fighter pilot as a child. His father always encouraged his dream by taking him to flight museums and air shows, along with encouraging his son to have a backup plan. Ledbetter remembers asking every pilot what they did for a college degree. This led him to earn a degree in aerospace engineering from St. Louis University, Oliver L. Parks School of Science and Engineering.

During his time in the Reserve Officers' Training Corps (ROTC), Ledbetter discovered he wouldn't be able to become a fighter pilot for medical reasons. But he didn't give up his dream to become a pilot. Instead, he pursued his license for recreational reasons.

### 'Rekindled my interest'

Recently, Ledbetter heard about a coworker interested in flying. “It rekindled my interest,” Ledbetter said, which led to his discovery of how



*SPEEA Everett Council Rep Nathan Ledbetter benefited from Boeing's Learning Together Program to achieve his dream of becoming a pilot. Today, Boeing's LTP reimburses even more of the cost to learn to fly. Shown here, from left, Ledbetter with his two children, Ivan and Kiley.*

much more Boeing's LTP pays for employees who want to learn to fly. (See related article).

The significant increase in what Boeing pays for tuition costs for flying lessons made him even more passionate about sharing the news with fellow co-workers.

Although Boeing will contribute to aspiring pilots who want to pursue training up to Certified Flight Instructor (CFI), Ledbetter is happy with his private pilot's license for single-engine land and sea ratings.

He loves flying around the Northwest in a Cessna to show family and friends how beautiful the region is from a plane. And he loves to introduce

others to the fun of flying, including donating a flight with him as the pilot for a school fundraiser each year to spark a passion in others to learn to fly.

“For me,” he said about flying, “it's all about the fun factor.”

### Being a Council Rep

Ledbetter, a structures design engineer on the 767, became a Council Rep in 2019 to fill a vacancy. At the time, he was helping co-workers find answers to questions. When he discovered their group didn't have a Council Rep, his coworkers encouraged him to run for the vacant seat. He's glad he did.

*Continued on page 12*

## To create a culture of excellence: Start with EQ and psychological safety

By Nassim Riazi  
Ed Wells Partnership Program Administrator

Emotional intelligence, often abbreviated as EQ, is the ability to recognize, understand and manage both your own emotions and those of others. It encompasses a spectrum of skills, including self-awareness, self-regulation, empathy and social skills.

Research has consistently shown individuals with high EQ are more likely to excel in various aspects of their lives, including personal relationships, leadership roles and career success. They tend to communicate more effectively, navigate conflicts with greater ease and adapt more readily to change.

The term “psychological safety” refers to a shared belief within a team that it is safe to take interpersonal risks, such as speaking up with ideas, questions, concerns or mistakes, without fear of retribution or embarrassment. In psychologically safe environments, individuals feel comfortable being themselves, expressing their thoughts and emotions authentically and contributing to collective goals without the fear of judgment or ridicule.



Students of SpillePlay’s “Six Steps to Psychological Safety” role play scenarios.

### Distinct link

There is a distinct link between emotional intelligence and psychological safety. Teams and organizations with high levels of EQ tend to foster psychological safety more effectively. Leaders who possess strong emotional intelligence skills are better equipped to create an environment where trust, respect and open communication thrive.

They demonstrate empathy towards their team members, validate their emotions and cultivate a culture of inclusivity and collaboration.

Moreover, individuals with high EQ are more adept at regulating their own emotions, which is essential for maintaining psychological safety within a group. They can manage conflict constructively, handle feedback gracefully and cultivate positive relationships based on mutual respect and understanding. By nurturing emotional intelligence, organizations can cultivate a culture that prioritizes psychological safety, leading to higher levels of engagement, innovation and overall performance.

Investing in the development of emotional intelligence and fostering psychological safety is crucial for individuals and organizations alike.

### Classes can help

To fill this need, the Ed Wells Partnership has several classes available:

- “Leading with Emotional Intelligence,” led by Nils Peterson of Teams & Leaders
  - o Spots still open for Oct 1-2 class.
- “Navigating Challenging Communication and Sharpening Emotional Intelligence,” led by Sharon Hart of InAlignment Coaching
  - o Will likely be back in 2025
- “Six Steps to Psychological Safety,” led by Jyoti Patel from SpillePlay
  - o Will likely be back in 2025
- “Tapping into Communication” led by Jim Boneau of The Rumble Zone
  - o This event involves participating in a live drum circle! It can be requested as an Intact Team to participate with your teammates.
  - o Will likely be back in 2025
- “Fearless Progress: The Science of Employee



Students engage in a rhythm session to build harmony together in The Rumble Group’s Tapping series.

### Psychological Safety”

- o Spots are open for Sept. 3 class.

Sign up for these classes and more at [edwells.boeing.com](http://edwells.boeing.com) on the Boeing intranet.

By honing EQ skills and promoting psychological safety, individuals and organizations can unlock their full potential, fostering environments where creativity flourishes, relationships thrive and excellence becomes the norm.

### Fundraiser to end human trafficking

## SPEEA a sponsor of Race for Freedom 5K

WICHITA – SPEEA is proud to continue its support of a 5K fundraiser for Wichita ICT S.O.S., helping trafficked youth and adults connect with services and solutions.

Wherever you live and whatever your ability, you can join SPEEA in the ICT SOS Race for Freedom 5K race, Saturday, Sept. 7 in Wichita. For those who can’t attend in person, you can participate virtually by going online to register.

For more information about the race, go to [race4freedom.com](http://race4freedom.com). More information will be coming soon for those who want to join the SPEEA team for the race.

Learn more about ICT S.O.S. at [ICTSOS.org](http://ICTSOS.org).



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## Everett Council Rep shares 'hidden' benefits that helped him to learn to fly

Continued from page 10

"I like the ability to help people understand the additional benefits they may not be aware of such as safety shoe reimbursement and LTP," he said.

Ledbetter also recommends Ed Wells Partnership classes and SPEEA Aerospace Career Enhancement (ACE) free training and other offerings, especially the mentor program.

He appreciates the benefits of SPEEA to "empower people to help guide their careers and help them understand their options in their pathway or on another path."

As a Council Rep, he's busier than he expected, and he's happy to do it. What he values about the union and his role is "the camaraderie with others."

### Learning Together Program (LTP)

## Want to become a pilot? Let Boeing help

The Learning Together Program (LTP) now offers up to \$51,000 in reimbursement for Boeing employees who want to pursue a pilot's license.

This includes reimbursement for FAA pilot certificate and add-on ratings, such as:

- Instrument
- Commercial
- Multi-engine rating
- Air Transport Pilot (ATP)
- Certified Flight Instructor (CFI)

The cost of a private-pilot certificate can vary but a rough estimate is \$15,000. Boeing's LTP reimbursement could cover about 67% (about \$10,000), Ledbetter estimated.

To go as far as attaining an instrument/commercial rating, Ledbetter estimated the cost can range from \$31,000 to \$51,000 depending on

how far you want to advance.

### A few reminders

- You must be a Boeing employee when you complete the achievement.
- The incentive request must be submitted within one year of the achievement.
- If you're already a pilot with some certificates, you can seek reimbursement if you pursue additional certificates.

Learn more about LTP on the Boeing intranet under Boeing Worklife.

### SPEEA history with LTP

Many SPEEA members may not realize how SPEEA fought to keep LTP when Boeing announced drastic cuts to the program about 15 years ago. SPEEA pursued a three-pronged approach, including legal counsel, to ensure Boeing kept some aspects of the program. This led to unlimited funding for degrees in relevant fields.

### Deadline Aug. 15

## Still time to apply for NW Council STEM grant

If you're a Northwest member involved in Science, Technology, Engineering and Math (STEM) outreach, consider applying for the NW Council STEM grant.

The Northwest Council budgets for STEM grant requests to help non-profit organizations promote STEM-related careers among students.

SPEEA members who are eligible to apply for a grant must be involved in some way, such as a volunteer or parent of a child participating in the

## TRAINING/ EVENTS

See online calendar for details.  
RSVP where you plan to attend.

### NORTHWEST

#### Union Solidarity Night at the AquaSox

Thursday, Aug. 15, 7:05 p.m.  
Funko Field, Everett

Everett AquaSox vs. Tri-City Dust Devils  
Minor league baseball

Pick up tickets while supplies last  
at SPEEA Puget Sound halls

Snohomish & Island County Labor Council  
SPEEA is a major sponsor

### MIDWEST

#### ICT S.O.S. Race for Freedom to end human trafficking

5k run and family fun run

Saturday, Sept. 7  
In-person and virtual  
Race4freedom.com

SPEEA is a major sponsor of the race